GOVERNMENT OF INDIA
INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2523
ANSWERED ON:05.12.2001
HARDWARE PRODUCTS
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Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that prices of hardware products are very high in the country due to anomaly in the duty structure;

(b) if so, the details thereof;

(c) whether the Government have taken up the matter with the Department of Revenue to see that the IT industry is helped to compete with the global marketing;

(d) if so, the response of the department in this regard; and

(e) the steps being taken by the Government to ensure that IT industry in the country is able to compete with the global market in view of the liberalization?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS, INFORMATION TECHNOLOGY AND COMMUNICATIONS (SHRI PRAMOD MAHAJAN)

(a) and (b): On the customs front, while IT Hardware products like computers attract a uniform basic customs duty of 15% advalorem, parts of computer attract a basic customs duty of 5% advalorem. Many critical parts and components such as Integrated Circuits (ICs), Microprocessors for computers, Storage Devices (Hard Disk Drive, CD-ROM Drive, Floppy Disk Drive) and Data Graphic Display Tubes attract `nil` rate of basic customs duty. Motherboards, Populated Printed Circuit Boards, Accessories of computers and Static Converters for Computers all attract a uniform basic customs duty of 15% advalorem. As regards the central excise duty rate structure, all IT hardware products attract a uniform CENVAT of 16% atvalorem. Hence there is no anomaly in the duty structure.

(c) and (d): Ministry of Information Technology, Government of India is taking up some more proposals with the Department of Revenue, as part of the Budget proposals for 202-03, to help the IT Industry become globally competitive.

(e): Steps taken by the Government to promote IT industry are given in the Annexure.